

Subject: Re: Updated Financial review process
From: Lorena Parker <lparker@sanpedrobid.com>
Date: 05/05/2016 03:53 PM
To: Ben Schirmer <ben@hcbf.org>
CC: eric eisenberg <ericeoban@gmail.com>, Greg <greg@thealbright.com>

Eric,
I think you need to sign a new card. Did they call you? Do you want to join us going to the bank next week?

Ben,

We need to schedule a time to go to the bank next week to get the signatories changed.

- 1) Remove Jayme Wilson
- 2) Remove Steve Robbins
- 3) Add Warren Gunter as signatory. One comment I would like to make is that Warren has put up all his property for sale so I'm not sure what that means long-term as far as check signing. Will he be around for awhile?
- 4) Give Lorena limited online access to allow her to view and print bank statements AND transfer funds from the operations account to the payroll account

Question regarding the Budget vs. Actual report: Do you want this to be YTD?

Regarding the bank statement, we can ask the bank next week when we go down there about the statements.

I have not hired Stacey Bergman yet regarding the bookkeeping assistance. It was a suggestion on my part.

We are required (by LA City Contract) to have an annual Reviewed Financial Statement, not an audit.

I don't have an opinion about having the same company help me with bookkeeping and who does our Reviewed Financial Statement and Tax Filings. I think Stacey's company charges more \$\$ for the annual services so I would need to negotiate with them anyway on the price.

What day(s) are you available next week to go to the bank?

Thanks for taking the time to work on this.

Best regards,

Lorena Parker
Executive Director
San Pedro Property Owners' Alliance
**San Pedro Historic Waterfront
Business Improvement District**
390 W. 7th Street | San Pedro, CA 90731
T 310.832.2183 | F 310.832.0685
Lparker@sanpedrobid.com
www.sanpedrobid.com

On Thu, May 5, 2016 at 2:59 PM, Ben Schirmer <ben@hcbf.org> wrote:

Good afternoon,

Greg and I met yesterday to discuss the financial review process for the PBID. We are concerned that there isn't enough time for the finance committee to do a meaningful review of the financial documents before each board meeting. This translates into an inadequate review by the full board.

We, the finance committee (right now that would be Greg and I) would like to receive the financials the Monday of the week before the board meeting. For example, for the June meeting, we would get the financial reports no later than Monday, May 23rd. This gives us enough time to review them and respond to Lorena in time for the agenda, which would include the financials for full-board review, to be posted on Friday, May 27th (in compliance with the Brown Act).

We would like to see the following reports (for the June board meeting this would be through the end of April):

1. Profit and Loss statement
2. Balance Sheet, including a period to period review (2015 v. 2016)
3. Budget v. Actual

As a best practice, I just started this with my board, please have a copy of the

bank statements sent electronically to me, in my capacity as Treasurer, directly from the Bank. This is usually easy to set up.

We also had a chance to review the proposal from Stacey Bergman regarding bookkeeping assistance. It is definitely a best practice to have a 3rd party do the monthly bank reconciliations. The bookkeeper could also be responsible for running the above reports each month and sending them to the Finance Committee.

We noticed that the estimate included “Annual Financial Statement Review”. Is this in lieu of an audit? What level of annual financial review are we mandated to conduct? And, it also states that Stacey Bergman would prepare the 990. I have always understood it to be a best practice to use a firm to do your audit and 990 that is different than who you have working with your financial information on a daily or monthly basis. Are you comfortable with the same firm doing both the monthly reconciliation and the annual review?

Let me know if you have any questions. Thanks.

Ben Schirmer, Executive Director

Harbor Community Benefit Foundation

302 W. 5th Street, Suite 300

San Pedro, CA 90731